

# Strategy

2021-26

2023 update



# The Accounts Commission is a public body appointed by Scottish ministers that operates impartially and independently of councils and of the Scottish Government.

Our strategy sets out our aims for the next five years, the priorities we will use in fulfilling these aims, and the principles and approaches used to shape our reporting. Our aims will be influenced by what we hear from our stakeholders, particularly citizens and communities, to whom we report our work.

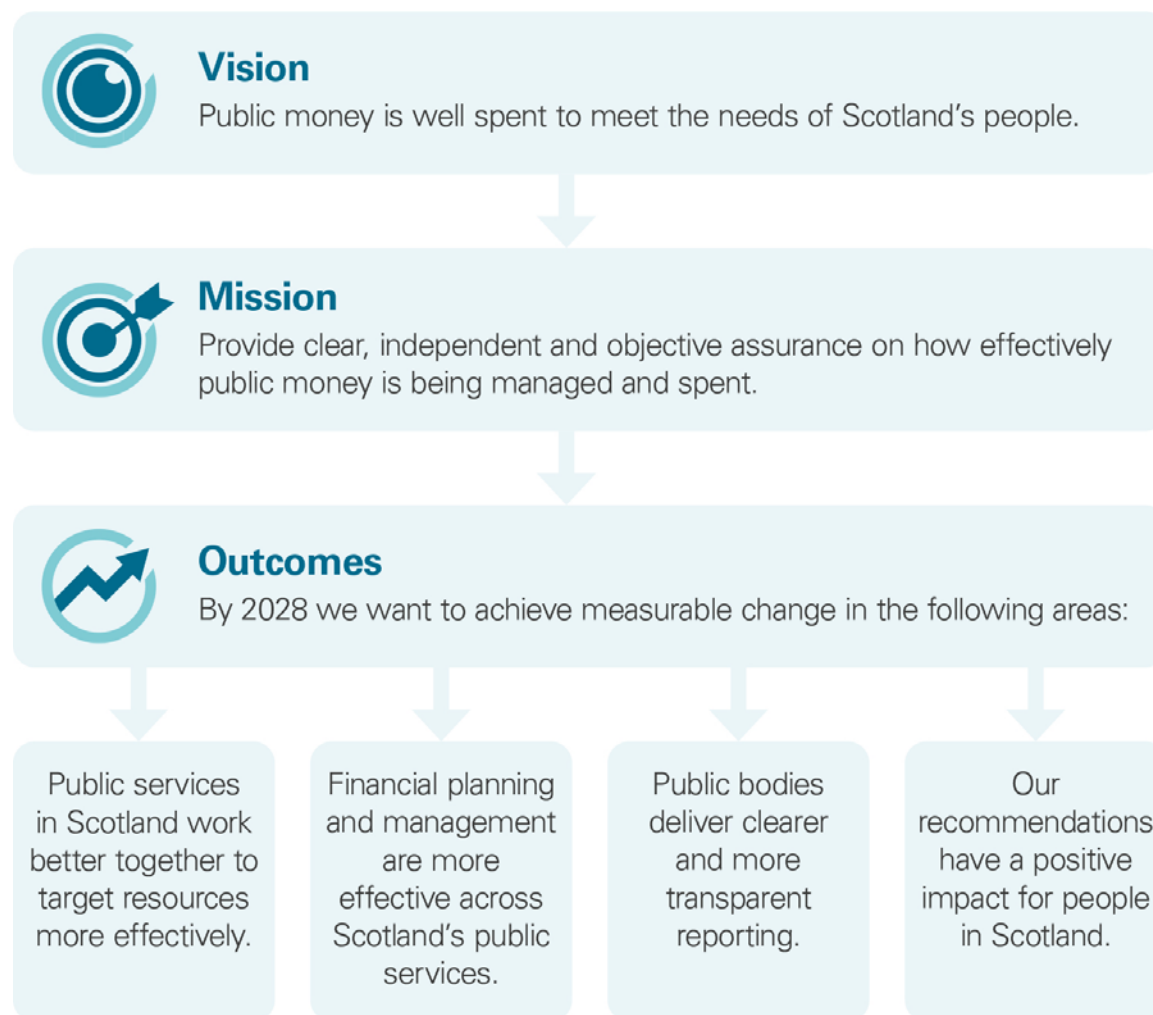


# Public audit in Scotland

A shared statement of purpose between the Accounts Commission, Auditor General and Audit Scotland setting out our vision and mission, and the outcomes we intend to achieve for Scotland's people.



Although they do not directly form part of the Commission's Strategy, the shared vision, mission and outcomes in Public audit in Scotland are informed by this Strategy.



# Who we report on

We are responsible for securing and reporting on the audit of local government.

We report on the audit of the following:



## 32 councils

Councils receive £19.8 billion of public money, of which £11.5 billion comes from the Scottish Government, including £2.1 billion raised through non-domestic rates.



## 30 health and social care integration joint boards (IJBs)

These bring together council and NHS services.

They receive £10.3 billion of public money, two-thirds of which is provided via the NHS and 30 per cent via councils, with the remainder raised through service income.



## 32 joint boards and joint committees

These include valuation joint boards, regional planning authorities and regional park authorities. They spend £226 million of public money.



## 11 local government pension funds

These funds hold assets totalling £61 billion.

Source: [Local government in Scotland: Financial bulletin 2021/22](#) and [Integration Joint Boards: Financial analysis 2021/22](#) and [2019/20 Annual Audit Reports](#).

Note: Figures exclude non-recurring Covid-19 funding.

# Our aims

We want our work to have an impact, helping councils and others to improve as well as increasing transparency and accountability.



## Securing public audit

Through securing and overseeing the audit of local government bodies, holding them to account by reporting on their use of public money.



## Helping to improve

To help local government improve through using our work and findings to be more efficient and effective in its use of public money and in improving outcomes for communities.



## Seeking to assure

To provide assurance to the public about the performance of local government, including governance, financial stewardship and effectiveness in delivering services and improving outcomes for communities.



## Improving performance reporting

To support transparency by ensuring councils report their performance to their communities effectively, through our [Statutory Performance Information Direction](#).

# Our priorities

We will use our statutory powers to shine a spotlight on and support improvement in the following priority areas:

## Inequalities

The contribution local government makes to tackling poverty and lessening the impact of inequalities on different communities – including where multiple forms of inequality combine to create further negative outcomes for people.

We will report on the performance of local government services in relation to those impacts, and in particular the critical role of health and social care services.



## Reform

The actions that local government is taking to deliver sustainable reform to meet the needs of communities and improve outcomes in the context of rising demand and financial constraints.

We will assess how well local government leaders are creating a collaborative and outcomes-focused culture that enables innovation to deliver efficient, affordable and sustainable local services supporting the most vulnerable.

## Finances

The impact of trends in funding on local government's ability to provide services and to deliver positive outcomes.

We will report on the levels, sources and stability of funding, how local government bodies manage their finances and ensure value for money, and their financial sustainability.

## Environmental sustainability

The extent to which local government is fulfilling its obligations in relation to climate change and related issues of environmental sustainability.

We will report on the contribution of local government bodies to the delivery of a just transition to net zero – both in how they operate and through the services and support they provide to their communities – in the context of the significant financial and practical resources required.

## People and communities

The relationship between local government and the people and communities it serves.

We will highlight the impact that local government bodies' actions and decisions can have on different individuals and groups. In doing so, we will report on how councils and IJBs are working with partners, including communities, community planning partners and the third sector, in the development of local priorities and the planning and delivery of local government services.

# Our principles

We will apply the following principles to shape our work.

## Flexibility and agility

With such a changing and uncertain environment, we are adopting a more agile and flexible approach to our planning and reporting. We regularly review our rolling work programme, which sets out the work that we plan over a two-year period, throughout the year. We are also using other reporting products, such as briefings, to allow more agile reporting on important matters.



## Partnership working

Beyond public audit, we bring together a range of partners responsible for the audit, regulation and inspection of local government, to coordinate our work, support the implementation of recommendations, and increase the efficiency, effectiveness and value of scrutiny of local government. We want our work and that of our strategic scrutiny partners to be proportionate to the resources available and the capacity of local government bodies to engage in our scrutiny work.



## Relevance and engagement

In providing assurance about public money and the performance of local government, as well as our work being used to help improvement, we are aware of our own role within Scotland's public sector.

Local government has many stakeholders, and we see these stakeholders as being central to our work. To maintain our relevance to these stakeholders, we want to engage regularly with them so that they can help shape our work. We set out on [page 8](#) how we take forward this principle.

We want our audit work to reflect the experiences of people in using local government services and their relationship with the councils and other bodies that provide those services.



## Effective public audit

We work with our partners, the Auditor General for Scotland and Audit Scotland, to deliver [Public Audit in Scotland](#), sharing principles for public audit and how it responds to the public policy environment in Scotland in which we operate.

In doing so, we are committed to ensuring effective public audit in Scotland, to make a positive difference to how public money is used, and on the outcomes that people experience. We want to make the most effective use of the resources and expertise available in audit. In 2022, we secured a new round of five-year audit appointments, drawing upon Audit Scotland and other providers, thus benefitting from a mixed-market approach to ensure sustainable, cost-effective, high-quality audits.



# Our reporting

We use our powers in two ways to provide assurance and to help improve: we report on individual local government bodies (councils, Integration Joint Boards (IJBs) and other boards and committees); and we report on a national basis on matters affecting all of local government.

## Local reporting

### Annual audit

Reporting in each local government body, on financial sustainability and performance. This work is the core of how we provide assurance over councils' use of public money. It also covers wider aspects of governance, improvement and council performance.

### Best Value

Reporting in each council and IJB, on how they are fulfilling their statutory duty of Best Value. This reporting provides assurance on how councils manage public resources to deliver the best possible outcomes for their communities. We are adopting a new approach to auditing Best Value in councils – integrated with our annual audit work and including a statutory report on each council over a five-year period.

Assurance & improvement

## National reporting

### Overview reporting

Each year we publish sector-wide reports on local government finances as well as wider-focus reports covering performance and the challenges, risks and opportunities facing councils.

### National performance auditing

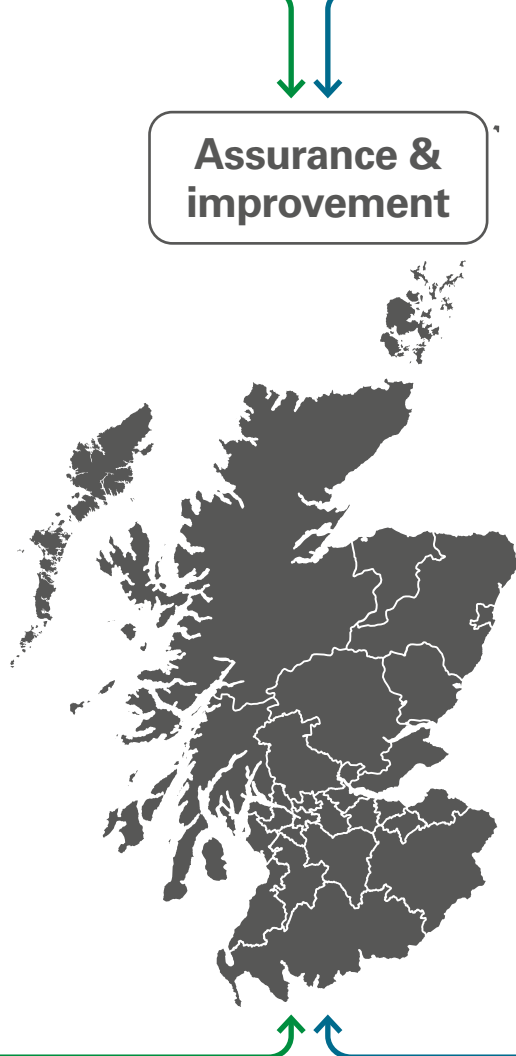
This work focuses on the quality, efficiency and effectiveness in services and the use of resources across local government. These can be reported jointly with the Auditor General for Scotland where there are areas of common interest such as health and social care.

### Other products

These include briefing papers, blogs and webinars to update the public and other stakeholders on issues affecting local government and the Commission's position on what its audit response should be. These help us report in a more agile way alongside our other reporting.

### Thematic reports

These reports help local government bodies improve by bringing together findings and good practice from our audit work. They include a national thematic Best Value report on a different critical issue each year.





# How we will engage our stakeholders

Our stakeholders coincide with those of local government, although we report directly to citizens and communities.

We want these stakeholders to use our reporting as an asset to help them fulfil their own responsibilities, be it communities in their desire of securing better public services, councils themselves in improving their performance, or partners of those councils in helping deliver better outcomes for communities.

Our different stakeholders, and their different potential 'asks' of us, are outlined below. We will reflect these stakeholder expectations as we shape our work. We will report on the outcome of significant engagement activities at the end of each year through our annual report.

## Citizens and communities



We report directly to citizens and communities on how well their council and IJB are performing and improving their outcomes.

We engage with them to help them make use of our work, and to shape our work and what we look at.

How good are my council or IJB's services?

Does my council or IJB offer good value?

Does it need to improve, and if so, where?

## Councils and IJBs



We report directly to councils and IJBs on their performance.

We engage with them to discuss how they respond to our work and our findings and recommendations. We also seek their views on what our work should look at.

How do we perform and where do we need to improve?

How does your audit add value?

Do you recognise the pressures we face?

## Scottish Parliament



Our national audit work supports Parliamentary scrutiny of public services. We make our work available to Parliamentary committees and to MSPs.

How well is local government working and contributing to national priorities?

How is this performance reflected in Scottish Government policy on local government?

## Scottish Government



We engage to assure our activities fit with the wider agenda for public service reform.

How well is local government working and contributing to national priorities?

How does this performance affect our approach to public service reform?

## Third and voluntary sector



The third and voluntary sector is a vital partner for councils in delivering services. We want our audit work to help those bodies engage with councils and IJBs to improve services.

We also seek their views on what our work should look at.

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How well does the council and IJB that we work with perform?

How can we contribute to its improvement?

## Councils' community planning partners



Community planning partners play a vital role in partnership with councils and IJBs to deliver services and improve outcomes for communities. We want our audit work to help improve such partnership working.

We also seek their views on what our work should look at.

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How well does our partner council perform?

How can we work with the council better to improve outcomes for our local communities?

## Our strategic scrutiny partners



We work with our strategic scrutiny partners to improve how we scrutinise local government.

We engage regularly to jointly coordinate and plan our work.

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What does the audit work and findings mean for our own planned scrutiny activity?

## How we will report our progress and impact

We will report our progress annually and refresh our Strategy every two years.

We want to ensure that our work makes a difference by ensuring that our resources are targeted on the right areas of risk facing local government and communities. We will monitor and report our impact, including engaging with our stakeholders, and reflect on this to reshape our aims and priorities.



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Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit: [www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)

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